



## NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-2-90 (1-4-90)

FDIC APPROVES ASSUMPTION OF DEPOSITS OF  
THE FIRST NATIONAL BANK OF SAN MARCOS, SAN MARCOS, TEXAS

The Board of Directors of the Federal Deposit Insurance Corporation has approved the assumption of the deposits and secured liabilities of The First National Bank of San Marcos, San Marcos, Texas, by Victoria Bank & Trust Company - Central, Gonzales, Texas.

The failed bank's sole office will reopen on Friday, January 5, 1990, as a branch of Victoria Bank & Trust Company - Central, and its depositors automatically will become depositors of the assuming bank.

The First National Bank of San Marcos, with total assets of \$89.3 million, was closed on Thursday, January 4, 1990, by Robert J. Herrmann, Senior Deputy Comptroller of the Currency, and the FDIC was named receiver.

Victoria Bank & Trust Company - Central will assume about \$80.2 million in 13,500 deposit accounts and will purchase approximately \$71.6 million of the failed bank's assets at a discount of \$18,466,000.

The Board of Directors approved the deposit assumption under its authority to do so whenever it determines that such a transaction will reduce the potential loss to the FDIC. The transaction will result in a lower cost to the FDIC than if the assets were held and liquidated in receivership. Additionally, because the assets and deposits will be administered by Victoria Bank & Trust Company - Central, the failed bank's customers will have the benefit of continuous uninterrupted service.

###